



Commerce Committee Public Hearing

Testimony of Kevin Brown, Chairman Mohegan Tribe

HB 5577 An Act Requiring The Evaluation Of The Costs and Benefits Of Establishing Certain Commercial Gaming Within The State of Connecticut

March 10, 2016

Thank you Chairman Butler.

Good afternoon.

For the Mohegan and Mashantucket tribes, Connecticut has always been home. Both of our tribes have deep Connecticut roots stretching back to the 17th century, and both of our tribes feel a profound responsibility to give back to the state that has played such an integral part in our history.

Over the past few decades, we have been proud to operate two of North America's largest casinos right here in Connecticut. From the very beginning, Mohegan Sun and Foxwoods were built not only to take care of our Tribal members, but also to boost Connecticut's economy, and we entered into agreements with the State of Connecticut to memorialize this mutually beneficial arrangement ... an agreement that insured we were able to generate thousands of jobs in and beyond the gaming industry and generate millions of dollars in revenue for state programs.

As our flagship locations have expanded, we've also made it a priority to support Connecticut's small businesses. As Chairman Butler pointed out, Mohegan Sun and Foxwoods currently work with over 1700 local businesses generating nearly \$250 million in vendor spend annually. Every time one of our casinos looks to hire a new vendor, we give strong preference to companies based in-state.

Motivated by the strength of our Connecticut ties, the Mohegan and Mashantucket tribes have now joined together to protect the jobs and revenue created by our casinos.

The new casino being built across the river in Springfield will have an enormous impact on our state's economy. Since opening for business in the late 1980s and early 1990s, respectively, Foxwoods and Mohegan Sun have provided Connecticut with almost \$7 billion in slot revenue

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for crucial state programs. For anyone who might suggest that characterizing the impact of competition as enormous is speculative, all you have to do is look at the history of the last 2 decades where our failure to square up against competition in Rhode Island & New York resulted in 30% reduction in the annual slot revenue ... Not acting again this time in response to Massachusetts competition is essentially accepting that it is okay to see a further similar reduction going forward at a time when every source of revenue for the state of Connecticut is crucial.

Most importantly, though, is that this out-of-state competition also threatens to put over 9,000 Connecticut residents -- from engineers and electricians to servers and sous chefs -- out of work. And small business located in all 169 Connecticut town's and municipalities will be substantially impacted as they see our reductions in spend reduce their business by anywhere from 15% to 75% of their revenue stream. By building a third casino in Connecticut, we can mitigate these losses.

To that end, Chairman Butler and I would like to also express our support for Senator Osten's bill, SB 398, which is up for consideration today. The Senator recognizes that job losses in the gaming industry -- enormous losses if we do nothing - will have a significant effect on Connecticut's economy, and has introduced SB 398 to ensure the state is prepared to combat this threat. In part, this means helping gaming industry workers transition to other types of employment. But it isn't a stand alone effort -- we believe it is important to consider IN COMBINATION with our efforts to build another casino in order to ease the transition of those team members who've established a stable career with us

Meanwhile, The Mohegan and Mashantucket tribes continue taking steps to diversify our businesses and as we expand are offering more jobs in the non-gaming sectors

Senator Osten's mission is in line with that of MMCT Venture and our other individual non-gaming pursuits -- to both generate and protect Connecticut jobs.

Last year, we formed MMCT Venture to make this vision a reality. We're diligently and methodically marching towards our goal, working to ensure that we can engage in healthy competition with the Springfield casino by the time it opens its doors in 2018. If MMCT Venture is able to realize our plans in a timely manner, we will be able to save thousands of Connecticut jobs and millions of dollars that will otherwise be lost to Massachusetts.

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Let's be clear, we're not asking for a handout. We are a self-funded organization that cares, first and foremost, about Connecticut. If we were seeking major profits, we would have better luck building a satellite casino elsewhere. In fact, I can say with confidence that we are doing exactly that around the United States, around the world, and in support of other federally recognized tribes. Money isn't driving us -- instead, we are motivated by our deep commitment to our home state and to its diverse, hard-working residents.

Today, we ask you to help move us forward by not holding us back. Please hear Chairman Butler and I when we say this -- if given the opportunity, MMCT Venture can and will make a real difference for Connecticut.

Thank you.

Kevin Brown
Chairman
Mohegan Tribe

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